

Levi Woodbury to Andrew Jackson, June 4, 1837, from Correspondence of Andrew Jackson. Edited by John Spencer Bassett.

THE SECRETARY OF THE TREASURY (LEVI WOODBURY) TO JACKSON. Private and Confidential

Washington, June 4, 1837.

Dear Sir, Yours of the 23d ult. has been this moment received. I am much gratified in this severe crisis to find, that the course, which has been pursued here, so closely accords with what you recommend as proper. Ere this reaches you, the public prints will have apprized your region of several of the measures we have adopted.

On the first news of any suspensions of specie payment I deemed it best to strike a decisive blow and issued circulars to all Receivers as well as Collectors to make no further deposits in Banks, which had suspended specie payments. They were further required to keep the money safely till called for or otherwise directed. I next ordered the Collectors to withdraw all the bonds lodged for collection in such banks and to accept in payment of them nothing except specie or its equivalent.

We have had much resistance and threats, as has the Post office for a similar requisition; but public feeling is more quiet and with the postponements granted and an early meeting of Congress affairs seem settling down. I presume, that Congress was called to give any further delay on bonds, which may appear proper, to supply any deficiency in the revenue, arising from the course of the Banks and merchants and the diminution of imposts and sales of lands, to repeal or postpone the October distribution of the deposits, which is now legally impracticable without new legislation, to make some further and

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necessary provision as to Collectors and Receivers so that we can generally use them as depositories and to prescribe for some anticipated wants in connection with our Mexican affairs.

The tone of the country at the North and in the Middle States as well as in the West, so far as we have yet heard, is very healthy. The people are more determined than ever to secure for all public and ordinary purposes in common business a specie currency. The course of the Banks is generally disapproved, unless they very soon reduce their circulation and deposits and resume specie payments. The dislike of a paper currency is increasing; and Mr. Biddle's prospects for a National Bank are worse than ever, though at first his partizans talked very loudly in favour of that measure. They expected he would continue specie payments when he was in a worse condition than any of his fellows, rotten to the core. From all, which I know and can learn, I do not anticipate any loss by any of the selected Banks, though in some cases a delay and indulgence will have to be granted. I shall treat them mildly; but at the same time, no more so, than is consistent with the public wants and our eventual security until Congress shall convene and give, if it pleases, some special directions on the subject.

The President is in fine health, as are the Cabinet generally. I think you may count on the firmness of us all in executing the laws as far as we are able and, in no instance, to countenance a wilful departure from them. We mean never to strike the Specie flag, however we may be obliged to grant such delays and indulgences as the suddenness of the disaster and its wide spread violence may render for a short time expedient and proper. The President has withstood the importunities and assaults from his own State as well as elsewhere with great nerve and judgment. With my best respects to all your family and especially Col. Earl, as well as to Major Donalson's,

I remain

[*Indorsement in Jackson's hand:*]

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June 4, 1837. Mr. Woodbury, private and confidential. The Executive firm, never will strike the specie flag. This is right, it is due to the laboring classes. the combination of the Banks, their simultaneous suspension of specie payments, for the benefit of Biddle and the Barings to drain us of specie, throw upon the people a depreciated paper, is such a wicked fraud that no indulgence ought to be given to them. suits ought to be brought against all for the deposits.

A.J